ESG and Sustainability Report

For the year ended 31 March 2025

Gore Street
Energy Storage Fund plc

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1.25 GW
portfolio capacity

11,970 tonnes
CO_2e avoided

39,290 MWh
renewable electricity stored

Introduction
Patrick Cox
Chair of the Company

On behalf of the Board, I am pleased to present the FY 2024/2025 ESG & Sustainability Report for Gore Street Energy Storage Fund plc.

As the world continues to become more exposed to climate change, marked by more intense hazards, such as the recent wildfires in California[1], the need to transition a more sustainable energy system has never been more apparent. The Company was launched in May 2018 with a clear goal of investing into utility scale energy storage. The Company's portfolio totals 1.25 GW with an energised capacity of 753.4 MW / 924.1 MWh, a more than double increase in energised capacity year-on-year. In particular, the recent energisation of the Company's largest asset, Big Rock, a 200 MW/ 400 MWh, in the Company's fifth grid, reinforces our position as a market leader in the transition to a greener grid.

The ESG & Sustainability Report covers a range of mandatory and voluntary frameworks; continuing a proactive approach to sustainability. The Company is an Article 8 product under the EU's Sustainable Finance Disclosure Regulation (SFDR), as it promotes environmental characteristics.

During the reporting period, the operational portfolio avoided 11,970 tCO2e and stored 39,290 MWh of renewable electricity. The full disclosure was incorporated in the 2025 Annual Report and Financial Statements, with further details in this report.

Our commitment to sustainability goes beyond the portfolio, and we remain cognisant of the social impacts across the battery value chain, continuing our third year of partnering with the Fair Cobalt Alliance to improve conditions in the Democratic Republic of Congo.

Delivering against strategy with the five key milestones met over the financial year, including the increase in energised capacity, while promoting environmental and social drivers of responsible business ensures the Company continues to play a lead role in the green transition.

Environmental:	Social:	Governance:
Investing in energy storage to support the global energy transition	Working with communities across the value chain	Improving transparency and accountability
1.25 GW Portfolio capacity	**3-year** partnership with the Fair Cobalt Alliance	**Article 8** product
11,970 tonnes CO_2e avoided	**40% female** Board	**UN PRI and TCFD** Voluntary signatory
39,290 MWh Renewable electricity stored	**0** Material H&S incidents	**Responsible Investment Policy**

1 World Weather Attribution

Dr Alex O'Cinneide
Chief Executive of the Investment Manager

As the Company and the Investment Manager continue to deliver growth across a global portfolio, we are proud to showcase our latest achievements in ESG and sustainability with our fourth report which reflects our continued commitment to responsible investment practices.

Over the past year, we have worked to further embed sustainability across the asset lifecycle, from acquisition, construction and operation to how we measure and report that impact to stakeholders.

We have begun to utilise advanced safety monitoring systems across the portfolio. As part of an industry collaboration, we have also improved the way we measure avoided emissions and have also contributed to the development of national safety standards for grid-scale energy storage.

Beyond the Company's operational portfolio, we have continued to take our social impact seriously. We continue to support ethical supply chains through our membership to the Fair Cobalt Alliance, supporting diversity through our partnership with AFBE, and engaging directly with the communities that our operations impact through volunteering days. We remain cognisant of social matter beyond the workforce, especially across the battery value chain, where there have been concerns regarding forced and child labour. As part of our commitment to transparency and human rights across the Company's supply chain, we supported a joint statement led by the Electricity Storage Network.

The statement calls for rigorous due diligence standards and alignment with international standards such as the UN Guiding Principles on Business and Human Rights. It underscores the Investment Manager's readiness to collaborate with the UK government to help set and uphold high standards for ethical and sustainable sourcing for global battery supply chains.

As the energy transition accelerates, we remain committed to delivering sustainable returns for investors while enabling a cleaner, more resilient power system.

About Us

About Gore Street Energy Storage Fund

Gore Street Energy Storage Fund plc ("GSF" or "the Company") was launched in 2018 to deliver sustainable returns to investors by investing in utility-scale energy storage systems.

GSF is listed on the London Stock Exchange and included in the FTSE All-Share Index. Through investments in the UK, Ireland, Germany, and the US, the Company became London's first internationally diversified energy storage fund and the only one with a portfolio supporting the transition to clean energy across five grids.

The Company is managed by Gore Street Investment Management Limited (the "Investment Manager"), which is a full-scope Alternative Investment Fund Manager ("AIFM") authorised and regulated by the Financial Conduct Authority.

United Nations Principles for Responsible Investing (UN PRI)

The UN-supported Principles for Responsible Investment (PRI) is an international framework promoting the integration of ESG factors into investment practice to support the move towards a more sustainable global financial system. As a signatory of the PRI, the Company is committed to incorporating the Principles into its own investment processes and adheres to its Responsible Investment Policy, published on its website. The Company also submitted its first publicly available assessment report in 2024.

Green Economy Mark

The Company has been awarded the London Stock Exchange's Green Economy Mark, recognising that it derives more than 50% of its revenues from products and services that contribute to environmental objectives.

TCFD

The Company, Gore Street Energy Storage Fund (GSF), does not fall within the scope of the UK Financial Conduct Authority (FCA)'s climate-related reporting requirements but has chosen to voluntarily report in alignment with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) to promote transparency around governance and consideration of climate-related risks and opportunities as part of the broader investment strategy.

SFDR

The Company qualifies as an Article 8 product under the European Sustainable Finance Disclosure Regulation (SFDR), which is aimed at preventing greenwashing and improving transparency in the market for sustainable investment products. It promotes the following environmental characteristics under Article 8 of the regulation.

SDR

In 2024, the Financial Conduct Authority introduced the Sustainability Disclosure Requirements to improve trust and transparency in the UK market for sustainable investment products.

Under the new regime, Gore Street Energy Storage Fund plc has adopted the **Sustainability Focus** label, which applies to products that invest mainly in assets that focus on sustainability for people or the planet.

Our Strategy

The Investment Manager seeks to integrate and monitor the Company's health, safety, environmental, social and investment objectives into its acquisition, construction, and operations. These ESG considerations support the Company's objective and its contributions to the transition to a more sustainable energy system.

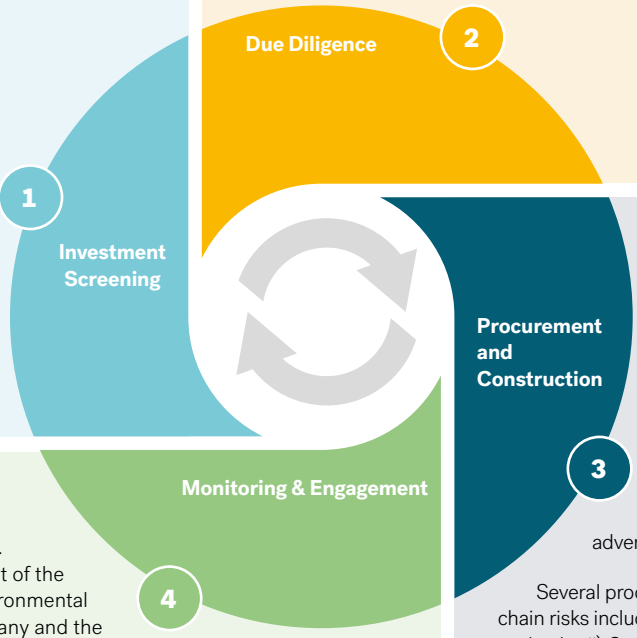
Figure 1: ESG Integration Across the Investment Lifecycle

Investment Screening

The Company's invests solely in utility sale energy storage as per the Responsible Investment policy. As part of its assessment of investment opportunities, the Investment Manager routinely runs market analyses on each grid network within its geographical mandate. The Investment Manager's team also works with local advisors to evaluate the regulatory environment applicable to each grid operator.

Due Diligence

The Investment Manager manages the acquisition process from bid to close, using third parties to assist with due diligence, such as through "red flag reports" across legal and technical aspects used for approval for Investment Committee decisions, this also removes biases when assessing opportunities. Due diligence exercises evaluate the policy landscape, regulatory environment, and location-specific climate-related risks such as flooding.



Procurement and Construction

When designing new assets, technical specifications are evaluated with consideration of expected local climate conditions and where possible adaptative measures are designed. The Investment Manager also ensures compliance with all ecological requirements to mitigate any adverse impacts on the local environment.

Several processes to identify and mitigate supply chain risks include i) Supplier Know Your Client (KYC) checks, ii) Contractual requirements for partners to comply with all applicable regulations and, iii) the Company's Code of Conduct.

Monitoring & Engagement

The Company discloses and reports annually pursuant to Article 8 of SFDR. Monitoring investments is a critical part of the Company's strategy, including the environmental characteristics promoted by the Company and the sustainability indicators and assesses any required actions.

Alignment with the UN Sustainable Development Goals

The Company engaged an external advisor to undertake an assessment of its existing ESG strategy and develop a set of recommendations on where and how it could be enhanced. As a result of this, the relevant UN Sustainable Development Goals have been narrowed down to four focus areas to deliver a more impactful strategy.

Affordable and Clean Energy

The Company's investment policy mandates investment in utility-scale energy storage only. The Company's portfolio of battery energy storage systems facilitates increased renewable penetration into the grid by reducing the inherent volatility associated with intermittent generation, allowing consumers to benefit from cleaner and more affordable energy sources such as wind and solar.

Decent Work and Economic Growth

Although the Company has no employees, the Investment Manager has implemented robust health & safety procedures across all of the Company's sites, covering the whole asset lifecycle.

Industry, Innovation, and Infrastructure

The Company invests in innovative clean infrastructure to promote a more resilient, sustainable energy system.

Climate Action

By supporting the integration of renewable energy, the Company's portfolio of battery energy storage systems supports efforts to decarbonise the global energy sector, thereby supporting climate change mitigation goals.

Environment

Supporting the Transition to Net Zero

Battery Energy Storage Systems (BESS) are essential for the transition to a greener grid, with global storage demand rising to 1.5 TW by 2030 in the IEA's Net Zero Scenario[2], with more than 80% of this demand expected to be met by battery energy storage. The phaseout of thermal generators (coal/gas generation) and substitution with renewable energy penetration reduces the inertia on the grid. Grid operators must maintain a minimum level of inertia on the grid to ensure system stability (a minimum of 120 GVA.s in GB)[3]. To maintain inertia, the grid operator can reduce wind/interconnects on the grid and increase thermal generators to compensate, increasing emissions. Batteries can mitigate the impact of reduced inertia on the grid by participating in a range of services. Batteries across different geographies provide a range of services, and they can broadly be categorised into i) ancillary services, ii) wholesale trading and iii) capacity markets.

Ancillary services refer to support services necessary for maintaining the stability, reliability, and quality of electricity supply. These services encompass activities such as frequency regulation (e.g. maintaining a grid frequency of 50 Hz ± 0.5 Hz in GB), voltage control, reactive power support, and black start capability.

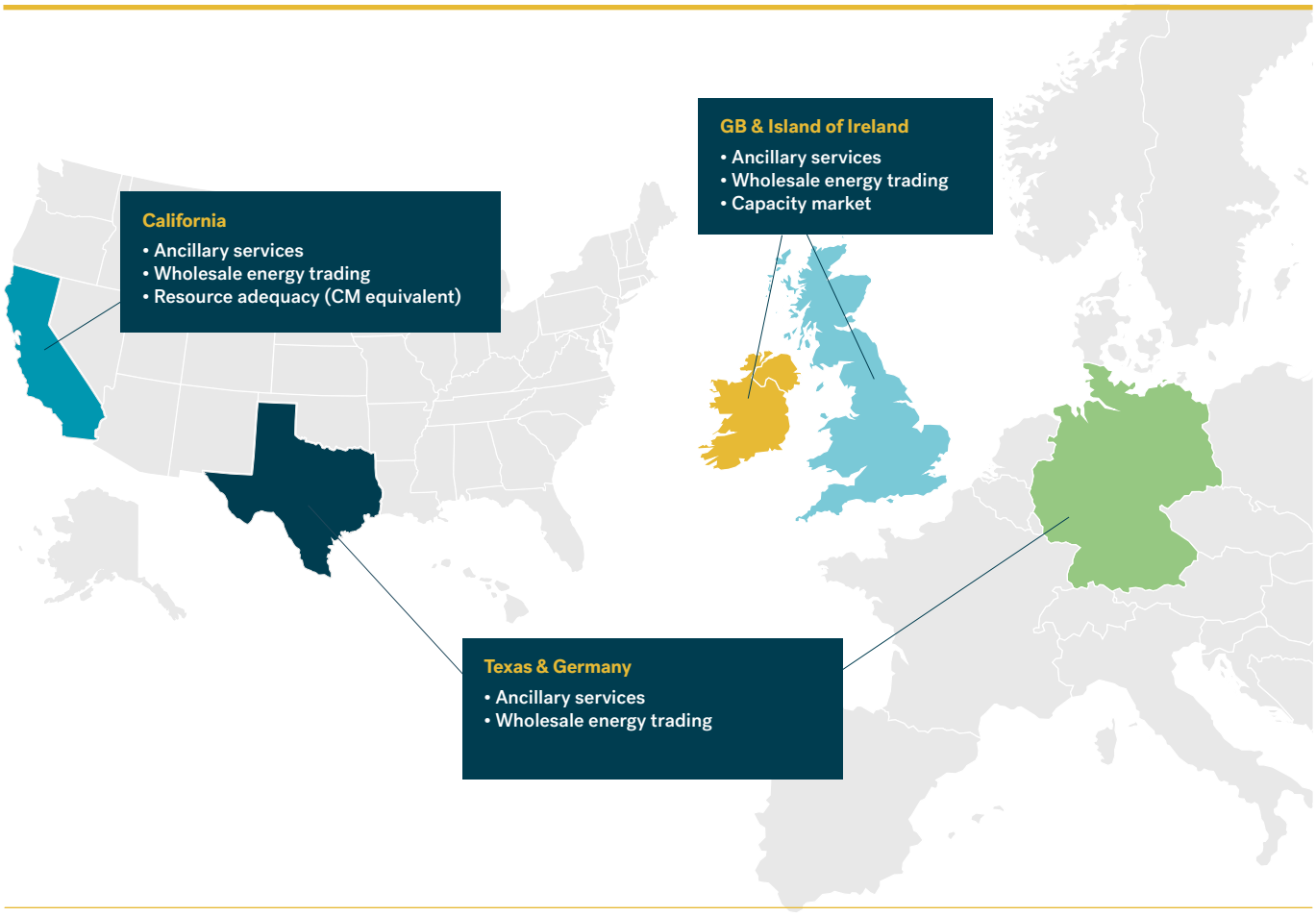
Wholesale trading supports the grid by storing excess energy generated during peak production, such as through renewables and dispatching it as needed. BESS acts as a buffer for the imbalances in supply and demand of electricity. In doing so, the asset provides the flexibility required to integrate ever-increasing intermittent variable renewable electricity into the grid.

The capacity market, specifically a capacity market auction, is a competitive process where electricity providers bid to provide capacity to ensure sufficient generation on the system. The auctions are designed to ensure there is sufficient generation and demand-side response available to meet peak demand and prevent blackouts. The energy system operator will typically issue capacity market notices to signal the potential for a system stress event in which providers must deliver for.

The Company measures the contribution of its operational assets to the net zero transition via two metrics: *net CO2 emissions avoided, and total renewable electricity stored*. In the last year, the Company's operational portfolio avoided 11,970 tCO_2e and stored 39,290 MWh of renewable electricity. This is equivalent to c.14,500 homes powered by renewable electricity for a year.[4]

The Investment Manager, as a member of the Electricity Storage Network, a UK-based working group, with different owners and operators of BESS, collaborated to determine an industry-wide approach to avoided emissions calculations to improve transparency with reporting.

Figure 2: Grid Services Available to BESS across the different markets



2 IEA Net Zero Scenario
3 NESO FRCR Report
4 Ofgem Estimate for Annual Electricity Consumption per household

Case Study:
Understanding the Benefits of BESS in Great Britain (GB)

Ancillary Services

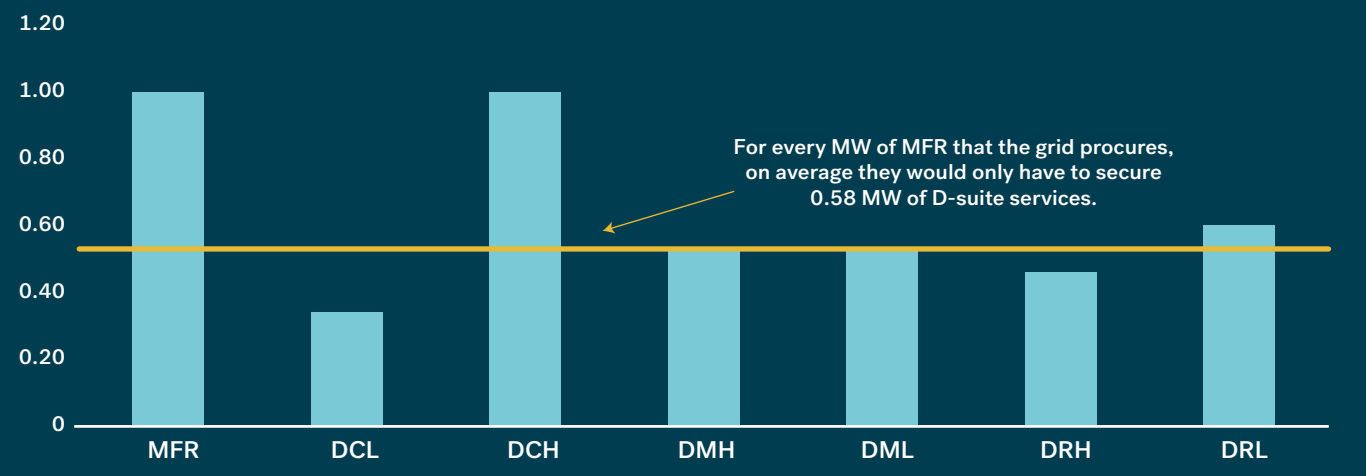
In each market, there are a range of different ancillary services varying by their initiation times, time to reach full delivery and delivery duration. According to Modo, 30% of avoided inertia management is due to batteries performing dynamic containment, a D-suite service.[5]

Table 1: Available Ancillary Services in Great Britain

Service	Technology Types
D-suite services (D* services) - Dynamic Containment (DC) - Dynamic Regulation (DR) - Dynamic Moderation (DM)	BESS & CCGTs[6]
Static Firm Frequency Response (Static FFR) Mandatory and Commercial Frequency Response (MFR/CFR)	Thermal generators[7]

Mandatory Frequency Response (MFR), an ancillary service, is largely procured from thermal generators in the GB market. Batteries participate in D-suite services (including dynamic containment, moderation and regulation). These services reduce the volume of MFR that grid operators have to secure as illustrated in Figure 3 below, thereby reducing carbon emissions from this service. These services not only provide a delivery carbon benefit, but also an efficiency benefit. When thermal generators provide MFR they reduce their overall operating efficiency as they have to reduce their power output. Another plant must increase its generation to compensate, resulting a reduced efficiency across two plants, increasing the carbon intensity of their total generation.

Figure 3: Mandatory Frequency Response Exchange Rates[8]



Wholesale Energy Trading

As referred to above, batteries are bidirectional assets, meaning they can both charge and discharge electricity. The avoided emissions benefit arises when a battery stores energy that would have otherwise been curtailed (i.e. some wind generation) as well as and discharges at a point in which a thermal generator is the marginal emitter.

Further details regarding the calculation methodology for avoided emissions can be found in the SFDR section.

5 FRCR Report
6 Based on EAC data
7 Transmission connected Battery Energy Storage Systems in GB are also required to provide MFR.
8 NESO MFR Exchange Rates

Social

Striving Towards the Highest Standards of Health & Safety

Safety in operation and management of the fleet's operations has been of critical importance since the Company's launch. Compromising safe operations puts personnel at risk, jeopardises the Company's reputation and poses an unnecessary threat to asset integrity. The Investment Manager adopts a "no compromise" approach to safe practice, by implementing, following and continually reviewing health and safety (H&S) standards in accordance with good practice, guidance and industry regulation across the investment lifecycle, from construction to operational assets. The Company is pleased once again to report no notable H&S incidents within the reporting period.

During the reporting period, the Company built upon a solid foundation of good H&S practice and continued to improve its approach to fleetwide safe operation of BESS. The Investment Manager supported by carrying out fleetwide audits of operational practices, engaging expert advisors to review improved their assessment of fire risk as well as emergency response procedures across the portfolio. These procedures were shared with relevant stakeholders to improve readiness for response to emergencies, though no emergency events occurred in the period.

The Company continued to implement software- and hardware-based improvements within the portfolio that exceeds current good practice. As referenced in last year's report, a third-party advanced battery safety monitoring software continues to be rolled out across the portfolio, providing benefits to the ongoing safety of each project whilst unlocking risk premium benefits in the Company's global portfolio insurance policy. This monitoring software is now live at most GB projects and further installations are planned in the remaining portfolio. The Investment Manager's Asset Management team receives daily reports on the state of battery safety for each of these projects, so they can be quickly actioned with third party O&M teams.

The Company remains committed to best practice in hardware investments to improve the safe operations of its assets.

Technology and knowledge continue to improve, and the Investment Manager's significant experience is leveraged to scope project requirements that exceed good practice, whilst retrofitting existing systems with safety improvements if deemed beneficial. The Investment Manager had a material role in writing the Government's Health and Safety Guidance for Grid Scale Electrical Energy Storage Systems and this is naturally implemented in all the Company's projects under construction.

During the construction process, the Investment Manager takes a robust approach to managing health & safety, including extensive due diligence, and contractual obligations around health and safety.

The Company continues to drive the sector towards improved H&S good practice with considerable involvement by the Investment Manager alongside industry bodies, holding chair positions on both the Electricity Storage Network's "Safety, Sustainability and Supply Chain" working group and the Health and Safety Governance Group in collaboration with the UK Department for Energy Security and Net Zero. The Investment Manager's drive to lead the industry is ongoing, now working actively to initiate the development of improved design and emergency response standards with the British Standards Institution, as well as membership of the technical advisory group for DEFRA's proposed regulations for environmental permitting of energy storage.

Human Rights in Supply Chains: Fair Cobalt Alliance

The Company's energy storage assets employ different lithium-ion battery chemistries, including NMC (nickel-manganese-cobalt-oxide). As such, it is the Investment Manager's view that responsible investment necessitates engagement with the challenges that face the cobalt supply chain, particularly regarding human rights.

The Fair Cobalt Alliance is a multi-stakeholder initiative dedicated to transforming the artisanal and small-scale mining (ASM) cobalt sector in the Democratic Republic of Congo (DRC), within which 150,000 to 200,000 people are employed.

The Fair Cobalt Alliance's work is rooted in five impact-oriented workstreams:

1. enabling safe and dignified working conditions through Personal Protective Equipment,
2. child labour remediation,
3. raising workers' income,
4. achieving market acceptance of Fair ASM cobalt, and
5. creating an enabling environment for this systemic change.

During 2024, the Fair Cobalt Alliance focused on reducing environmental hazards at mine sites by replacing inadequate tarpaulin covers with durable metal roofing on 131 pit shafts. This intervention significantly reduced the risk of flooding and shaft collapses, directly improving conditions for over 5,000 miners.

The alliance's backing of "The Hub for Child Labour Prevention and Remediation" is one example of impact in action. In 2024, remediation support continued for 20 children, most of whom are now enrolled in school or vocational training. With direct referrals from government systems and a growing network of trained case managers, the programme stands as a best-in-class model for addressing complex social challenges in mining regions.

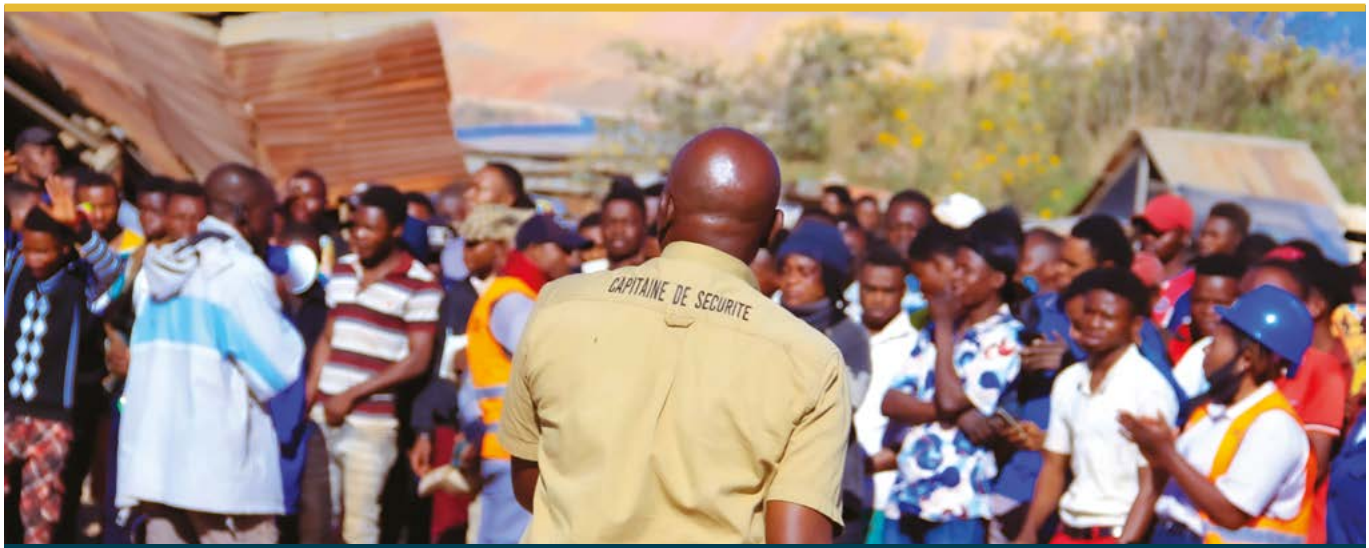
Developing economic resilience within mining communities is also vital for long-term sustainability. As such, the Fair Cobalt Alliance-supported Village Savings and Loan Associations empowered over 600 members, most of them women, to build savings, access credit, and launch 203 micro-enterprises.

This diversification helps reduce communities' dependence on potentially volatile commodity prices and helps to stabilise their income, which helps families pay for education and improves living conditions.

To further understand the impact of their work, in 2023 and 2024, the Fair Cobalt Alliance conducted surveys at Kamilombe, a mine in the DRC, engaging over 500 miners and community members. Survey results showed measurable improvements in several areas. Safety perceptions among underground workers rose to 72% in 2024, and personal protective equipment (PPE) usage increased by over 20 percentage points.

However, ongoing challenges persist. Financial instability remains high, with most workers reporting income volatility linked to global cobalt price fluctuations. Formal banking access is minimal, and hygiene conditions, particularly toilet facilities, require urgent attention.

The Fair Cobalt Alliance remains committed to fostering a legitimate, sustainable ASM cobalt sector. By engaging miners, cooperatives, communities, and market actors, it supports a just transition to cleaner energy while ensuring that those at the start of the supply chain are not left behind. Ongoing efforts will focus on deepening financial inclusion, improving living and working conditions, and amplifying community voices in sector governance.



One of the 100 safety captains trained by the Fair Cobalt Alliance in 2021 and 2022 – during the weekly toolbox training done to socialise operational health and safety at the mine site.

Fostering Diversity, Equity and Inclusion

Diversity in the financial sector

The Financial Conduct Authority requires all listed companies in the UK to disclose the diversity of boards and executive committees. As an investment trust with no employees or senior management, and a small number of directors, the Company will aim to meet the board diversity targets where possible.

At the end of March 2025, the Company had met the targets relating to the percentage of women on the Board and a number of senior board positions held by a woman but had not yet met the target for board members from a minority ethnic background.

Diversity, Equity and Inclusion (DEI) at the Investment Manager

The Investment Manager, which conducts the day-to-day operations on behalf of the Company, also believes in the importance and value of DEI. In March 202511, women represented over a third of its workforce and 33% of senior management roles.

Diversity extends beyond gender; it includes a range of ages, experiences, and cultures within the workforce. The Investment Manager's workforce is composed of 18 different nationalities and 19 languages spoken amongst the team.

To ensure that diversity is supported throughout all stages of employment, the Investment Manager has several policies that promote greater inclusion within the workplace. These include enhanced maternity and paternity leave, a menopause policy, and a period policy, reinforcing the Investment Manager's commitment to inclusion.

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Figure 4: Gender Diversity in the Workforce

Figure 5: Gender Diversity within Senior Management

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Association for Black and Minority Ethnic Engineers (AFBE)

To support the Investment Manager's approach to DEI it has strengthened its partnership with the Association for Black and Minority Ethnic Engineers and become a member. AFBE is a non-profit focused on promoting diversity and inclusion within the engineering and technology sectors. The Investment Manager understands that a more inclusive and diverse workforce brings a wider range of perspectives and ideas which ultimately help to drive innovation.

During the reporting period, the Investment Manager donated to AFBE which had a direct impact at two schools in Ireland. The donation went towards introducing engineering to children ranging from primary to secondary school age.

Cultivating Innovation through the Clean Tech Challenge

The Company was established to develop innovative energy storage infrastructure that is essential for phasing out fossil fuels and integrating additional renewable energy sources, such as wind and solar, into the grid. Consequently, the Company recognises the significance of developing new technology to facilitate and promote the transition to a net-zero economy. The Investment Manager Group ("GSC") has therefore committed to actively supporting innovation that can reduce costs, enhance effectiveness, and accelerate the transition.

In line with this commitment, GSC is proud to sponsor the Clean Tech Challenge for a third year. The Clean Tech Challenge is a competition hosted by London Business School in conjunction with University College London, which aims to encourage students to transform innovative clean technology ideas into impactful real-world solutions.

As well as providing a £20,000 prize for the winner, the GSC provided expert mentors to participants and two judges for the final presentation. The 2025 winner of the GSC GO RE-Think CleanTech Award was Incy Tech, a company transforming renewable energy technology through "Thermal Floaters", floating solar thermal devices that generate electricity using temperature differences between concentrated sunlight and water. With an estimated efficiency three times that of traditional solar panels and a low-cost, modular design, they offer a scalable solution to space, cost, and efficiency challenges in clean energy adoption.

Piers Lindsay-Fynn (GSC Board Director) and Incy Tech, the winners of the 2025 GSC Go Re-think CleanTech Award.

Community Engagement

The Company and its Investment Manager do not work in isolation from wider society and instead operate within a community with stakeholders as well as shareholders.

Community care and engagement are therefore imperative to functioning with a holistic approach to sustainability, which values both the environment and society in addition to the economy. This year, the Investment Manager volunteered at the Ace of Clubs, the Children's Book Project and The Conservation Volunteers. Further details of their work can be found below.

Ace of Clubs

For the second year, staff from the Investment Manager volunteered at the Ace of Clubs, a Day Centre for the homeless & vulnerable in Clapham. The centre offers hot meals, clothing, a laundry service, showers, healthcare, housing & welfare support, access to computers, phone charging facilities, and typically serves over 150 hot meals a day. Volunteering across two days, staff at the Investment Manager helped with food preparation, handed out donations and worked in the kitchen.

The Children's Book Project

Staff from the Investment Manager volunteered at The Children's Book Project, an organisation that helps disadvantaged children across the UK gain access to books at home. It is estimated that one in three disadvantaged children across the UK has fewer than ten books of their own at home, and one in ten has none. These disparities have a direct correlation and impact outcomes later in life. The Children's Book Project aims to tackle book poverty and increase opportunities for children to read and thereby improve literacy by gifting over 500,000 books across the country. This is the second-year staff from the Investment Manager have volunteered at the Children's Book Project. This year alone, the team sorted donations and packaged over 2,500 books, meaning more than 1,250 children will each receive two books, many for the very first time.

The Conservation Volunteers

The Conservation Volunteers is a charitable organisation that connects people with green spaces and facilitates people to improve and care for green spaces. In 2024, His Majesty King Charles III became a Royal Patron because of their extensive work improving biodiversity in spaces ranging from local nature reserves, community gardens and sites of special scientific interest to school grounds, hospitals and waterways. Research has proven the numerous positive impacts green spaces can have on people's physical and mental health and wellbeing, as well as helping to develop stronger communities on top of the environmental benefits. Staff from the Investment Manager helped create a green corridor through Ingestre Estate near Tufnell Park, working with conservationists to understand the requirements of the local area and conservation techniques.

Governance

Task Force on Climate-Related Financial Disclosures (TCFD)

Task Force on Climate-Related Financial Disclosures (TCFD)

Executive Summary

The Company, Gore Street Energy Storage Fund (GSF), does not fall within the scope of the UK Financial Conduct Authority (FCA)'s climate-related reporting requirements but has chosen to voluntarily report in alignment with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) to promote transparency around governance and consideration of climate-related risks and opportunities as part of the broader investment strategy.

The following chapters provide information on the Company's governance, monitoring, and management of climate-related risks during the 2024/25 financial year.

The report comprises the four pillars of the TCFD framework:

Governance	Strategy	Risk Management	Metrics & Targets
This section provides information on the Company's oversight of climate-related risks and opportunities.	This section details actual and potential impacts of climate-related risks and opportunities on the Company's business, strategy and financial planning where such information is material. For the Company's portfolio, environmental conditions are taken into account when developing and operating an asset to ensure it can appropriately contribute to a low-carbon transition.	This section details how the Company identifies, assesses, and manages climate-related risks (and opportunities).	This section details measures used to assess and manage relevant climate-related risk and opportunities where such information is material. This year, progress has been made regarding the Company's calculation of the avoided emissions from the portfolio of BESS assets. The Investment Manager has detailed further avenues for improvement, such as developing an avoided emissions methodology for ancillary services.

Pillar 1: Governance

Board Oversight

The Board, which is the Company's governing body, consists of five Directors and is responsible for overseeing the business affairs of the Company in accordance with the Articles, the Companies' Act and the responsible investment policy. It has overall responsibility for the Company's activities, including its strategy and investment activities, both of which consider the impact of climate-related risks and opportunities. The Board is fully independent of the Investment Manager.

Figure 6: Board Oversight

The Audit Committee has delegated authority from the Board and is responsible for monitoring the integrity of the financial reporting, quality and effectiveness of external audit, risk management and the system of internal control. This has included reviewing the Company's ESG disclosures, such as the SFDR Annex IV in the annual report, and receiving a methodological report. The relevant SFDR metrics in this context are the total greenhouse gas emissions of the Company, as well as the avoided emissions. The Audit Committee also requires material service providers to share their ESG policy and carbon footprint (including greenhouse gas and energy usage reporting). Over the last reporting period, the Board oversaw the implementation of the Company's disclosure requirements under Article 8 of SFDR, and the newly introduced UK-based sustainability disclosure requirements (SDR). In conjunction with the continued reporting against several voluntary frameworks to guide its sustainability strategy, including the TCFD and UN PRI.

The Investment Committee oversees the financial, legal and technical diligence of the Company's proposed transactions, ensuring that they are consistent with the investment policy and take into consideration climate-related matters and ESG considerations that could impact the financial performance of the transaction. The Committee is made up of four members, all of whom have experience in renewable energy projects. The Committee receives reporting on a quarterly basis or as needed on all potential projects as well as ad hoc meetings which are convened to discuss specific investment decisions as required.

The Management Engagement Committee is responsible for the monitoring and oversight of the Investment Manager's performance, and confirming the Investment Manager's ongoing suitability, as well as reviewing and assessing the Company's other service providers. In a typical year, the committee would review ESG providers, however given the recent appointment of the current advisors and other reports from the ESG function, this was not required for the reporting period. All Directors are members of the committee.

The Investment Manager, Gore Street Investment Management (GSIM), provides the Company with investment management and risk management services. Through the Investment Manager, the Board has established a framework to identify and manage the Company's principal risks and opportunities, including those relating to climate change and the climate transition. The Investment Manager reports to the Board on a quarterly basis, ensuring that the Directors are kept updated on progress of investments and climate-related matters with potential to impact the Company's strategy or financial performance. The Board approved an addendum to the key contracts agreement, to continuously monitor the Investment Manager's alignment with the Company's Responsible Investment Policy.

Post-period, as part of the Board's ongoing commitment to climate-related risks and opportunities, the Board will undergo training to improve their awareness and assessment of climate-related issues which could affect the Company.

Management's Role in Assessing and Managing Climate-related Risks and Opportunities

The Investment Manager has an ESG function working closely with the in-house investment, construction, asset management and commercial teams to regularly review and implement the Company's sustainability strategy. Climate-related considerations are integrated across business functions; ranging from assessing renewable energy penetration as part of a market analysis to forecasting the ambient temperatures of assets in initial stages of design to identify appropriate cooling mitigants as needed, ensuring alignment with the Responsible Investment Policy. A physical risk assessment has also been conducted for the Company's portfolio for the ten most exposed assets to hazards, a summary of which can be found in further sections below. A greater understanding of the Company's exposure could facilitate improved decision making for future developments.

The Investment Manager is responsible for ensuring the Company's assets are optimally managed and available to provide a range of services to the grid that enable the integration of higher proportions of intermittent renewable energy. This approach is central to the Company's sustainability strategy and the transition to a low-carbon economy.

The Investment Manager worked closely with an industry group to adopt a marginal emission factor approach to avoided emissions, to more closely reflect the impact of energy trading. Improved accuracy could better facilitate net zero targets in the Company's strategy to appropriately manage climate-related risks and opportunities.

Pillar 2: Strategy

Risks & Opportunities

The Company recognises the role it plays in grid decarbonisation and has, therefore, adopted the recommendations of the TCFD to effectively identify and manage its risk exposure and explore climate-related opportunities and their impact on the business and investments.

Climate-related risks and opportunities can be classified as i) transitional and ii) physical:

i. **Transitional** risks and opportunities arise from the shift to a low-carbon economy and can be influenced by evolving policies, legal frameworks, technological advancements, market responses and reputational considerations.

ii. **Physical** risks encompass the impact of acute climate-driven events, such as extreme weather, alongside chronic long-term shifts in temperatures, precipitation patterns and variability in weather patterns.

A shortlist of risks and opportunities is described below.

Transition Risks and Management Responses

Table 2: Transition Risks and Management Responses

Risk Type	Transition Risks	Potential Impact	Management Response	Financial Impact
Market	**Volatility in commodity pricing:** Commodity price fluctuations (e.g. lithium) could increase capital and operational costs.	Volatility in the cost of raw materials, such as lithium or cobalt, could lead to increased capital and operational costs.	Projected revenue curves used in investment analysis already factor in potential commodity price fluctuations. The Company is ultimately technology agnostic and continues to monitor emergent technologies which would be less sensitive to critical minerals.	Capital cost, as this would lead to increased battery pack pricing by a potential supplier. This could also increase repowering costs (i.e. replacing battery cells), affecting opex.
	Renewables slowdown: A slowdown in renewable energy deployment could reduce the demand for battery energy storage services.	A slowdown in renewable energy deployment due to political and economic uncertainty poses a moderate risk, potentially reducing battery storage demand. This risk could grow if incentives for wind and solar decline or policies shift toward nuclear energy, impacting the sector's growth and profitability.	The Investment Manager continuously monitors the policy landscape and renewable penetration trends for countries of operation, which helps manage risk exposure. The Company's diversified portfolio across five markets mitigates the risk associated with a slowdown in renewable energy deployment in any one market. The Company's investment policy is open to all OECD markets, affording some protection from potential policy and market shifts that could impede renewables growth. The Investment Manager engages with policymakers and regulators through its membership in trade associations (such as Electricity Storage Network and Energy Storage Ireland.	Revenue could be impacted, as the demand for grid balancing services would decrease, leading to market saturation. The renumeration for an asset has the potential to decrease.
Reputation	**Stakeholder expectations:** The growing focus of stakeholders on ESG-related issues can increase near-term operational costs to meet expectations regarding ESG performance and disclosure.	Battery supply chains face risks from geopolitical tensions, ethical labour concerns, and environmental impacts, complicating supply chain operations and increasing costs. Investor demands for climate transparency and anti-greenwashing regulations further drive reporting obligations and expenses.	The Investment Manager has a dedicated ESG function working with internal and external stakeholders, including ESG advisers, to monitor and mitigate potential ESG risks. External ESG advisers help interpret and progress ESG disclosure requirements, reducing the risk of non-compliance and enhancing disclosure quality. The Company reports against a number of mandatory and voluntary frameworks, including SFDR, TCFD, SDR and UN PRI, to meet the growing demand for transparency and ESG disclosures from investors.	P&L cost; as stakeholder expectations grow, further and more detailed ESG requirements and disclosures could lead to higher costs.

Risk Type	Transition Risks	Potential Impact	Management Response	Financial Impact
Reputation	**Reputational damage:** Businesses could face reputational damage from negative environmental and social value chain impacts.	The energy storage sector faces increasing scrutiny over its environmental and social practices, exacerbated by a lack of transparency in the supply chain and uncertainties surrounding end-of-life battery disposal. As the Company has limited control over the supply chain of its assets and end-of-life treatment, reputational risks are increased and highlight the importance of improved visibility of supply chain processes to ensure responsible and sustainable practices across the whole value chain.	The Company has several processes to identify and mitigate supply chain risks: i) Supplier Know Your Client (KYC) checks, ii) Contractual requirements for partners to comply with all applicable regulations and, iii) the Company's Code of Conduct. Data collection from EPC, asset management (AM) and operations & maintenance (O&M) suppliers on an annual basis as part of the Company's SFDR reporting.	P&L cost from potential litigation.
Policy and Legal	**Policy uncertainty:** Political changes and discrepancies between stated climate policy and actual transition pathways can result in uncertainty regarding clean energy incentives and revenue projections.	The disconnect between net zero ambitions and the necessary policies to incentivise the market poses a challenge when projecting revenue for third-party providers.	The Company's investment policy is open to exploration of all OECD markets, mitigating the risk of uncertainty in any one market. The investment analysis accounts for stated policy climate scenarios in its merchant revenue projections for certain commodities, thereby accounting for some uncertainty with respect to climate. Additionally, the Investment Manager monitors policy and market developments in existing and potential markets to track policy-related risks, partly through trade associations, policy makers, and regulators.	Revenue; a variable market landscape with respect to connections reform and renewable energy penetration could lead to a changing landscape of revenue streams for the Company.

Physical Risks and Management Responses

Table 3: Physical Risks and Management Responses

Risk Type	Physical Risk	Potential Impact	Management Response	Financial Impact
Acute	**Acute physical hazards:** The occurrence of heatwaves, wildfires, storms or floods could result in potential damage to project infrastructure, disruption to supply and business operations, and increased insurance costs.	Energy infrastructure such as battery energy storage systems are vulnerable to extreme weather events, potentially leading to downtime and revenue loss. As extreme weather events such as heatwaves and floods become more frequent and severe, they could threaten operational assets and potentially increase insurance costs and overall risk exposure for the Company's investments.	Pre-investment in a particular region, the Investment Manager considers relevant climate-related factors, including risks from physical hazards. When designing new assets, technical specifications are evaluated with consideration of expected local climate conditions. Where specific risks have been identified, the Investment Manager's technical teams incorporate adaptative measures (e.g. attenuation ponds) into the asset design to increase resilience.	P&L cost; these can be attributed to replacement/repair costs for infrastructure, as well as insurance claims, & potential delays to on-site maintenance.
Chronic	**Chronic physical hazards:** Extreme temperatures could exceed asset design parameters, potentially leading to disruption to services and reduced asset performance.	Long-term temperature changes, particularly under higher warming scenarios, increase the likelihood of extreme temperatures exceeding asset design parameters, posing a potential risk to the performance and reliability of the energy storage systems. This risk not only affects the operational efficiency of energy storage projects but also requires additional measures for asset maintenance and resilience, thereby potentially increasing operational costs.	Pre-investment in a particular region, the Investment Manager considers relevant climate-related factors, including risks from physical hazards. During the design phase, the Investment Manager's technical team evaluates specifications with consideration of expected climatic conditions. For example, ambient temperature ranges over the design life are considered in HVAC, cable, and transformer design requirements.	P&L cost; these can be attributed to replacement costs for infrastructure, as well as insurance claims, and potential delays to on-site maintenance.

Opportunities and Management Responses

Table 4: Opportunities and Management Responses

Risk Type	Opportunity	Potential Impact	Management Response	Financial Impact
Markets (technology)	**Technology:** Increased investment in clean technology could lead to new low-carbon/ climate-resilient energy storage technologies becoming available.	The need to transition to a low-carbon economy has spurred on R&D and investment in new energy storage technologies that could offer benefits such as reduced reliance on critical minerals, reduced carbon footprints or improved efficiency.	The Company's investment policy is technology agnostic and would consider new technologies with an appropriate risk/reward profile. The Investment Manager maintains relationships with suppliers of existing and emerging technology, putting it in a good position to adopt new and improved technology.	Revenue; this could be attributed to a greater demand for BESS to match renewable growth as the demand for grid balancing services and peak shifting grows.
Markets (policy)	**Alignment with transition policy:** Ambitious climate and energy policy can encourage the uptake of clean energy generation.	Increased renewables rollout, in turn, increases the demand for energy storage assets, creating favourable market conditions for the Company with potential for increased revenue.	The growth rate of current and potential future renewables penetration is a key input into the Company's investment analysis to ensure market alignment with energy storage demand. Energy transition policy incentives and climate-related policy are considered in the Company's analysis of revenue curve projections.	Revenue; this could be attributed to a greater demand for BESS to match renewable growth as the demand for grid balancing services and peak shifting grows.
Markets	**Cost of carbon:** Carbon price growth increases the generation price of electricity, incentivising the substitution of fossil fuels with clean energy alternatives.	The increasing global prevalence and costs of carbon pricing mechanisms such as carbon taxes or cap-and-trade schemes provide an incentive for the transition to clean energy alternatives as electricity generation from fossil fuels becomes more expensive. In turn, this can drive demand for energy storage solutions to facilitate the integration of intermittent renewables into the grid and reduce reliance on fossil fuels.	The Company's investment policy is to operate in OECD countries where the wholesale energy price is often influenced by the carbon price, thereby driving demand for clean renewable energy and storage solutions.	Revenue; this could be attribute to higher electricity prices, resulting in an improved revenue profile by integrating the environmental benefit of BESS (reduced curtailment and improved renewable energy integration).
Products and Services	**Access to capital:** Battery energy storage supports the clean energy transition and is an attractive asset class for green financing.	The energy storage sector is poised for significant growth as it plays a crucial role in facilitating the transition to renewable energy sources. As demand for clean energy solutions rises, energy storage funds stand to benefit from heightened investor interest.	As a Company exclusively investing in utility-scale energy storage systems, the Company is inherently aligned with the clean energy transition and has the potential to attract capital from investors looking to invest in these technologies.	Revenue upside; this could be attributed to the build out of pre-construction assets (494.8 MW), increasing the proportion of the portfolio which is revenue generating.
Resilience	**Acute and chronic physical hazards:** Increased volatility of climatic conditions (including heat, wind and solar) can lead to more frequent demand peaks for energy storage.	Increased volatility of climatic conditions presents an opportunity for the Company as more frequent demand peaks for energy storage are expected due to severe weather events like heatwaves, windstorms, and fluctuating solar output. The volatility in renewable energy production, thermal loads, and electricity prices can enhance revenue if the Company effectively captures and manages these peaks.	The Company holds assets in regions that already experience extreme climate conditions, including Texas, where winter storms and summer heatwaves have exposed vulnerabilities in the state's power grid.	Revenue; attributed to increased need for grids to manage renewable energy volatility

Physical Climate Risk Assessment

The Company conducted a physical climate risk assessment, covering investments across the US, GB, Ireland and Germany. Ten assets were identified as being the most exposed to various climate-related risks as well as most representative of the portfolio. A summary of this assessment can be found in the Company's 2024 TCFD report.

To understand the possible impact of physical climate risks on the sites identified in the materiality assessment, the Company undertook climate change scenario analysis using three scenarios. These scenarios were selected to cover a broad range of plausible futures, in line with TCFD recommendations, and were modelled over a 30-year timespan to align with the likely lifespan of the impacted assets. These scenarios were also modelled over a 5-year, and 15-year timespans, in line with TCFD recommendations to identify how these risks fluctuate. However, over shorter time horizons the uncertainty regarding climate response to future emissions is more significant, therefore the 30-year period is more reflective over the potential risks. Further details on the thresholds for the relevant climate risks are available on request.

Figure 7: Climate Change Scenarios Based on IPCC Shared Socioeconomic Pathways

1	Scenario name	Strong Mitigation	• This scenario represents the optimal sustainable path. It encompasses socioeconomic and representative emissions pathways consistent with a gradual and pervasive global shift towards a more sustainable future. • Global mean temperatures will rise by approx. 1.8°C by 2100, in line with the target of the Paris Agreement on climate change.
	Warming trajectory	1.8°C by 2100	
	Underpinning scenario data	SSP1-RCP2.6	
2	Scenario name	Middle of the Road	• This scenario represents a middle path with challenges to climate change mitigation. Overall emissions continue to rise through mid-century before beginning to decline. • Global mean temperatures will rise by approx. 2.4°C by 2100, by higher emissions raise the risk of tipping points.
	Warming trajectory	2.4°C by 2100	
	Underpinning scenario data	SSP2-RCP4.5	
3	Scenario name	High Emissions	• This scenario represents a future where the world continues its current trajectory. Global markets are increasingly integrated, and total population and per capita consumption have increased. • Global mean temperatures will rise by approx. 4.3°C by 2100.
	Warming trajectory	4.3°C by 2100	
	Underpinning scenario data	SSP5-RCP8.5	

Hazard Findings

From the climate hazards assessed, several of the Company's assets demonstrated exposure to wildfires, heatwaves and water stress. From the analysis, water stress was identified to present the greatest threat to the Company's assets, however this exposure is not expected to have a material impact on operations due to negligible levels of water consumed on-site. On average, exposure to sea-level rise, flooding, and tropical cyclones was low across the three different scenarios.

Table 5: Climate Change Impacts by Geography based on Climate Change Scenarios (30-year scenario)

Hazard	Scenario	United States	Great Britain	Ireland	Germany
Water stress	Strong Mitigation	High	Low	Medium	Medium
	Middle of the Road	High	Low	Medium	Medium
	High Emissions	High	Medium	High	Medium
Heatwaves	Strong Mitigation	Medium	Low	Low	Low
	Middle of the Road	Medium	Low	Low	Low
	High Emissions	High	Medium	Medium	Medium
Wildfire	Strong Mitigation	Medium	Low	Low	Low
	Middle of the Road	Medium	Low	Low	Low
	High Emissions	Medium	Low	Low	Low
Sea-level rise	Strong Mitigation	Low	Low	Low	Low
	Middle of the Road	Low	Low	Low	Low
	High Emissions	Low	Low	Low	Low
Flooding	Strong Mitigation	Low	Low	Low	Low
	Middle of the Road	Low	Low	Low	Low
	High Emissions	Low	Low	Low	Low
Tropical storms	Strong Mitigation	Low	Low	Low	Low
	Middle of the Road	Low	Low	Low	Low
	High Emissions	Low	Low	Low	Low

Impact: Heatwaves

High temperatures caused by heatwaves can reduce the operational lifespan of energy storage assets, as they can increase the rate at which the assets degrade. The Company's assets are designed considering the specific environmental conditions of each location, encompassing considerations for climate change and realistic extremes of both high and low temperatures. Since the Company's fleet includes a range of geographic areas, its assets are designed to operate in temperatures varying from -20°C to 40°C, with headroom and foot room factored in, when appropriate. The Investment Manager's asset management team continuously monitor the Company's assets as they are exposed to various climatic conditions and act as needed to mitigate risks posed by hazards.

Climate Resilience

Despite posing some risks, the climate transition is likely to create many opportunities for the Company to continue the growth of battery energy storage solutions that support the delivery of low-carbon electricity to the grid. Through investment in this asset class, the Company is well-suited to enable a low carbon transition by providing critical infrastructure and grid services, such as grid balancing, which is increasingly important as further intermittent generation sources, such as renewables are incorporated into the grid, to provide stability to the energy system.

By taking a proactive approach in engaging with investors and managing physical risks from the preconstruction phase throughout the whole lifecycle of its assets, the Company is well-positioned to remain resilient to climate-related impacts while capitalising on opportunities presented by the transition. The Company recognises that more work is required to prioritise risks and understand how opportunities may be realised to strengthen climate resilience and considers this to be the next stage in its TCFD-alignment journey. To date, the Company has been focussing efforts on management activities to harness opportunities and limit exposure to physical climate risks.

The Company recognises the importance of understanding the impact of climate-related risks and opportunities on its investment strategy and financial planning processes and plans to regularly review and advance its analysis. To this end, the Company aims to leverage and adapt its existing processes to help support the further integration of climate into decision-making. The Company already takes climate-related opportunities, such as policy environments and market conditions, into account when making investment decisions. As the identified risks and opportunities evolve with time, the Company will continue to consider the relevance of these to its decision-making and strategic plans for the growth of the Company.

Case Study

Texas experiences extreme weather events, including winter storms and summer heatwaves, which have exposed vulnerabilities in the state's power grid operated by the Electric Reliability Council of Texas (ERCOT).

In the past four years, ERCOT has faced extreme weather with impacts including:

- Loss of power generation capacity during extreme weather events (e.g., 52 GW lost during the February 2021 storm).
- Record-breaking power demand during heatwaves (e.g., 85.5 GW on 10 August 2023)

The Company is helping to tackle the impact of extreme weather events, and greater intermittent generation on the grid by operating a portfolio of energy storage assets in Texas. Towards the end of the financial year, the Company targeted ERCOT's wholesale trading market to respond to demand and supply fluctuations, helping to provide power. ERCOT has recognised the need for energy storage to integrate growing renewable capacity, which represents an opportunity for the Company.

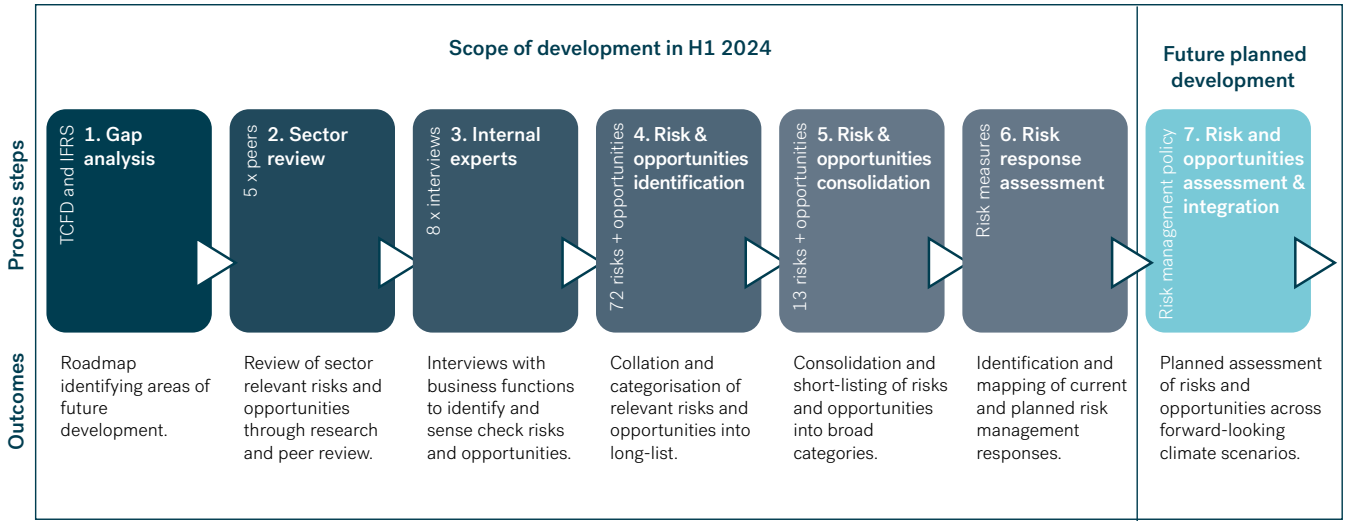
The Company's assets, including the now operational 75.0 MW Dogfish project (post-period), support the integration of more renewable capacity and the displacement of thermal generation. By offering higher reliability than conventional energy providers and providing critical services to the grid, the Company's assets can also help strengthen the climate resilience of the whole power system.

Pillar 3: Risk Management

Processes for Identifying and Assessing Risks and Opportunities

The Company's risk management procedure has evolved since the first year of reporting to ensure a holistic and comprehensive approach to maximise risk mitigation efforts. The Investment Manager, with the aid of external consultants, completed a gap analysis, combined with insights from internal experts to consolidate a list of the most material risks and opportunities across the Company's operations. The following describes the methodology used in further detail to identify and short-list risks and opportunities, and to assess coverage by existing and planned risk management measures.

Figure 8: Risk Management Strategy



Specific risk management responses in place are described for each risk and opportunity in tables 2-4.

Processes for Managing Risks and Opportunities

The Board is ultimately responsible for the Company's system of risk management and internal control and for reviewing its effectiveness. This extends to the management of climate-related risks and opportunities at the principal risk level. Through the Investment Manager, the Board has established policies and processes designed to manage and, where possible, mitigate risks which are monitored by the Audit Committee on an ongoing basis. Such policies are widely implemented through the Investment Manager's processes by the in-house investment, construction, commercial, and asset management teams. The ESG function reports to the Company's Board on a quarterly basis which includes updates regarding the implementation of the responsible investment policy. Existing management responses to identified risks and opportunities are detailed in tables 2-4.

The due diligence process on new investments serves to identify and eliminate or control potential climate-related risks prior to investment and asset construction. Checks, including flood risk assessments and supplier due diligence surveys, act to limit the Company's exposure to both physical and transitional climate risks. Site design processes factor in climate change-related risks, for example, by designing systems to operate within a range of temperatures or adding elements to control flood risk. Once an asset is operational, the asset management team is responsible for maintaining active monitoring of physical climate risks.

Risk Management Integration

Transition and physical climate risk are integrated into the Company's principal risk register as a standalone risk. However, owing to the nature of the Company's business and exposure to the climate transition, climate-related risk drivers are also reflected in other principal risks including:

- Exposure to lithium-ion batteries, battery manufacturers and technology changes (transitional technology driver)
- Delays in grid energisation or commissioning (transitional market driver)

Pillar 4: Metrics and Targets

The Company uses a number of metrics and targets to assess and monitor climate-related risks and opportunities. As an Article 8 product under SFDR, the Company has identified a set of principal adverse impacts (PAIs) which it uses to assess its environmental performance and exposure to possible climate-related risks and opportunities. A full list of PAIs with a description of the methodology used to calculate them can be found on page 29.

Metrics Used to Assess Climate Risks and Opportunities

The Company recognises the importance of setting metrics that align with the short list of risks and opportunities to support the understanding of risk and opportunity evolution over time and the effectiveness of implemented management responses. Existing metrics are largely aligned with the SFDR PAIs the Company reports on.

The table below sets out the Company's alignment with the TCFD-recommended cross-industry metrics and associated risks and opportunities.

Table 6: Metrics Used to Assess Climate Risks and Opportunities

TCFD Metric Category	Metrics	Rationale for Inclusion
GHG Emissions: Absolute Scope 1, 2 & 3 emissions intensity.	• Scope 1, 2 & 3 emissions (tCO_2e) *. • Weighted average carbon intensity (tCO_2e/£M)*.	The Company has been reporting GHG emissions since 2021/22. Tracking emissions helps to monitor the Company's exposure to reputational and policy risks.
Transition Risks: Amount and extent of assets or business activities vulnerable to transition risks.	• Exposure to companies active in the fossil fuel sector. • Share of non-renewable energy consumption and production (%). • Energy consumption intensity per high-impact climate sector GWh/£M. • Operations and suppliers at significant risk of incidents of child labour*. • Operations and suppliers at significant risk of incidents of forced or compulsory labour*. • Number of identified cases of severe human rights issues and incidents*.	The Company is exposed to market and policy changes in addition to reputational impacts under the climate transition. Monitoring exposure to human rights issues and fossil fuel companies supports the management of reputational risks, while the measurement of non-renewable energy consumption & production and energy consumption intensity supports the management of policy and legal risks.

TCFD Metric Category	Metrics	Rationale for Inclusion
Physical Risks: Amount and extent of assets or business activities vulnerable to physical risks.	The Company is investigating an appropriate metric to track progress for this category. Based on the physical risk assessment referred to in earlier sections, there are no assets materially exposed to physically relevant hazards over the asset's lifetime.	In 2021/22, the Company conducted a physical climate risk assessment for the portfolio, which was updated in 2023 to include the Big Rock asset in California.
Climate-related Opportunities: Proportion of revenue, assets, or other business activities aligned with climate-related opportunities.	• Net CO_2 emissions avoided*. • Total renewable electricity stored*. • Wholesale gas prices. • Renewable penetration in OECD countries.	The Company was launched in May 2018 to deliver sustainable returns to investors while supporting the energy transition through the deployment of energy storage systems. This technology is a key lever in the decarbonisation of global grid systems by facilitating the integration of variable renewable energy generation. To measure the size of the opportunity from its products and services, the Company has chosen to measure and disclose the amount of renewable electricity it stores and the avoided emissions. The investment manager has recently employed a new approach to calculating the marginal emissions resulting from battery use. This approach was the outcome from discussions with select industry peers to establish a better methodology that reflects the impact of battery energy storage assets. Additional metrics such as wholesale gas prices and renewable penetration are tracked internally as part of the commercial forecasting and investment strategy and are used to determine when and how the Company should seek to capitalise on its opportunities.
Capital Deployment: Amount of capital expenditure, financing or investment deployed toward climate-related risks and opportunities.	• Value of investments	In monitoring the value of new investments and the total of new projects receiving investment, the Company has direct oversight of the amount of investment deployed to taking climate-related opportunities.

* PAIs – details of the methodology and yearly changes to these metrics can be found on page 29 as well as the Annual Report & Financial Statement FY2024/25.

Development Targets

The Company will continue to develop its voluntary climate-related financial disclosures, and the underlying analysis required to assess potential impacts and integrate climate considerations into business and financial planning.

In 2024, the Company's ESG advisers have undertaken a readiness review against the TCFD guidance and IFRS S2 requirements, which has informed the following selection of targeted development areas for the coming years.

Table 7: Development Targets per TCFD Pillar

TCFD pillar	Climate-related disclosure development targets
Governance	• Assess the skills and competencies of the Board relating to climate issues affecting the Company and conduct Board training, if needed, to ensure that there is a solid understanding of material issues impacting the Company. • Post-period, the Board will undertake training.
Strategy	• Assess the potential financial impact from risks and opportunities across forward-looking climate scenarios and time-horizons, building on existing future revenue projection and asset specification methodologies. Develop a strategy for engagement activities with suppliers and peers that is aligned with broader strategic ambitions.
Risk Management	• Further integrate consideration of climate-related risks (and opportunities) into risk management processes and business planning discussions with a clear process for both pre-investment and operational phases. • Formalise climate into the Company's internal processes, including the risk management policy and control mechanisms for managing climate impacts.
Metrics & Targets	• Explore additional KPIs that can be used to track risks and opportunities and seek to set targets related to these. • Continue to develop the avoided emissions calculation methodology to quantify the benefit of ancillary services.

Sustainable Finance Disclosure Regulation (SFDR)

Sustainable Finance Disclosure Regulation (SFDR)

The Company qualifies as an Article 8 product under the European Sustainable Finance Disclosure Regulation (SFDR), which is aimed at preventing greenwashing and improving transparency in the market for sustainable investment products. It promotes the following environmental characteristics under Article 8 of the regulation:

- enabling the integration of renewable energy sources into the power grid.
- avoiding carbon emissions from the power sector.

The Company's pre-contractual disclosures and website disclosures are available on its website under Sustainability-Related Disclosures and Shareholder Literature.

The table below summarises the Company's performance in 2024/25 financial year, as reported against the environmental characteristics and principal adverse impacts (PAI). The Company's full periodic report under Article 11 of SFDR can be found in its Annual Report and Financial Statement 2024/25.

Table 8: PAI Disclosures for Operational and Construction Assets for the Period from 1 April 2024 to 31 March 2025

Topic	#	Indicators	Units	Financial Year 2024/25	Financial year 2023/24
Due diligence on principal adverse impacts (PAI)					
Climate and other environment-related indicators					
Greenhouse gas emissions	1	Total Greenhouse gas (GHG) emissions (Scope 1-3)	tCO_2e	50,495	32,879
	2	Carbon footprint	tCO_2e / £M	102	84
	3	GHG intensity of investee companies[9]	tCO_2e / £M	431	1,661
	4	Exposure to companies active in the fossil fuel sector	n/a	No exposure	No exposure
	5	Share of non-renewable energy consumption and production	%	33.0	57.7
	6	Energy consumption intensity per high impact climate sector	GWh / £M	0.30	0.52
Biodiversity	7	Activities negatively affecting biodiversity-sensitive areas	n/a	None identified	None identified
Emissions to water	8	Emissions to water	t / £M	0.00	0.00
Waste	9	Hazardous waste ratio	t / £M	0.005	0.00
Social and employee matters					
UNGC principles or OECD Guidelines for Multinational Enterprises	10	Violations of principles/guidelines	%	None identified	None identified
	11	Lack of processes and mechanisms to monitor compliance	%	No formal process or mechanism identified	No formal process or mechanism identified
Gender equality	12	Unadjusted gender pay gap	%	N/A	N/A
Gender diversity	13	Board gender diversity (weighted average of male and female board members at investee company level)	Weighted average ratio of female to male board members at investee company level, as % of all board members	23%	30%
Controversial weapons	14	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons)	%	No exposure for GSF's activities under direct control	No exposure for GSF's activities under direct control
Additional sustainability disclosures					
Air emissions	15	Emissions of air pollutants	t / £M	0	0.00
Additional water and waste, and material emissions	16	Water usage and recycling	m^3 / £M	0.003	0.00
	17	Non-recycled waste ratio	t / £M	0.85	0.00
Human rights	18	Operations and suppliers at significant risk of incidents of child labour	%	No exposure for GSF's activities under direct control (i.e. 0%)	No exposure for GSF's activities under direct control
	19	Operations and suppliers at significant risk of incidents of forced or compulsory labour	%	No exposure for GSF's activities under direct control (i.e. 0%)	No exposure for GSF's activities under direct control
	20	Number of identified cases of severe human rights issues and incidents	Number	None identified	None identified
Environmental characteristics	21	Net CO_2 emissions avoided	tCO_2e	11,970	15,178
	22	Total renewable electricity stored	MWh	39,290	26,232

9 The SFDR prescribed formula for GHG intensity of investee companies is weighted according to revenue generation; therefore in-construction assets are not included in this figure.

Data Gathering

Scope: The assessment covered all assets in operation or under construction held by the Company's investee companies during the 2024/25 financial year (1 April 2024 to 31 March 2025). The assessment did not include the Company's assets which were in the pre-construction phase that did not record any operational or commercial activity.

Process: The ESG team collected a variety of data from the Company's external suppliers – EPC, O&M and AM[10] providers – as well as internal sources.

Discussion of the Results

During the financial year, several methodological enhancements were introduced, while these changes limit comparability with prior-year figure, they reflect an improvement in data quality and calculation robustness, improving the accuracy of the Company's reporting. The Investment Manager worked closely with an industry group to adopt a marginal emission factor approach to avoided emissions, to more closely reflect the impact of energy trading and to improve comparability across different funds and asset operators. Further details regarding the Company's approach to avoided emissions can be found below. Some PAIs showed poorer performance compared to last year, this was predominantly due to improved data precision enabling more granular tracking of waste and resource use.

Greenhouse Gas Emissions

There are three categories of greenhouse gas (GHG) emissions under the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard: Scope 1, 2 and 3. The Company defines its organisational boundaries using the equity share approach as per the GHG Protocol Corporate Standard, whereby a company accounts for GHG emissions from operations according to its share of equity in the operation. This approach focuses on including GHG emissions from activities that are under the financial control of the reporting company, presenting a more accurate picture of the Company's environmental impact by including GHG emissions from entities it has a significant influence over.

Table 9: Total Greenhouse Gas Emissions for FY 24/25 and FY 23/24

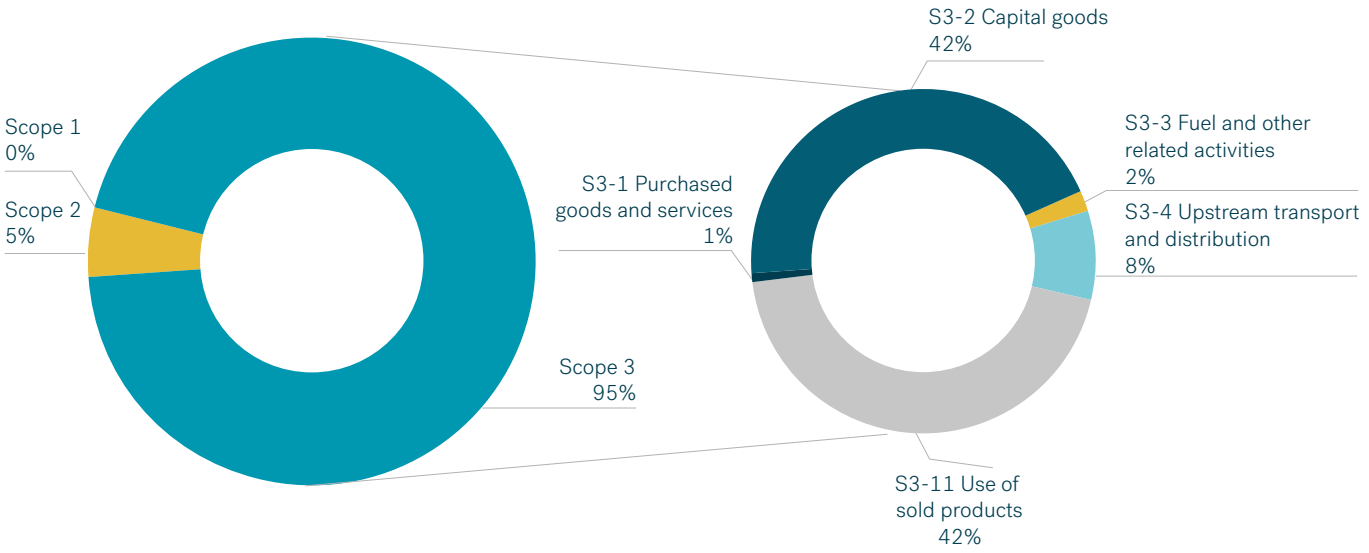
GHG Emissions	FY 2024/2025	FY 2023/2024
Scope 1 (tCO_2e)	0	0
Scope 2 – Location-based (tCO_2e)	2,636	3,251
Scope 3 (tCO_2e)	47,859	29,628
Total (tCO_2e)	**50,495**	**32,879**

- The Company's Scope 1 emissions could derive from fugitive emissions from refrigerants used in cooling systems within the battery assets, or fire suppression, and the possibility of on-site generators using diesel or other fuel. None of these activities occurred on site following an analysis of survey responses from relevant parties; and therefore, no Scope 1 emissions were recorded for this reporting period.
- Relevant Scope 2 emissions for the Company are the emissions produced following the asset's consumption of electricity in operation. Battery asset metering data and regional grid intensity records were used to determine the total scope 3 emissions of the portfolio. Scope 2 emissions comprised approximately 5% of total emissions. The decrease in Scope 2 emissions could be attributed to grid decarbonisation in the markets in which the Company operates.
- Scope 3 emissions accounted for 95% of the recorded emissions during the reporting period. These can be attributed to;
  - i) Purchased goods & services (including capital goods)
  - ii) Emissions from fuels and energy related activities consumed
  - iii) Transportation and distribution of products
  - iv) The impact of the electricity commercialised downstream (use of sold products).

The Company's Scope 3 emissions increased from 29,628 tCO_2e to 47,859 tCO_2e year-on-year. This increase is primarily due to the increased construction activity of the Company, with 332 MW of battery energy storage assets energised during the reporting period.

10 Engineering, Procurement, Construction (EPC), Operations and Maintenance (O&M), Asset Management (AM)

Figure 9: Total Greenhouse Gas Emissions (split by category)



Additional Metrics

The Company has adopted two additional sustainability indicators to quantify the environmental benefit of battery energy storage assets in the energy system:

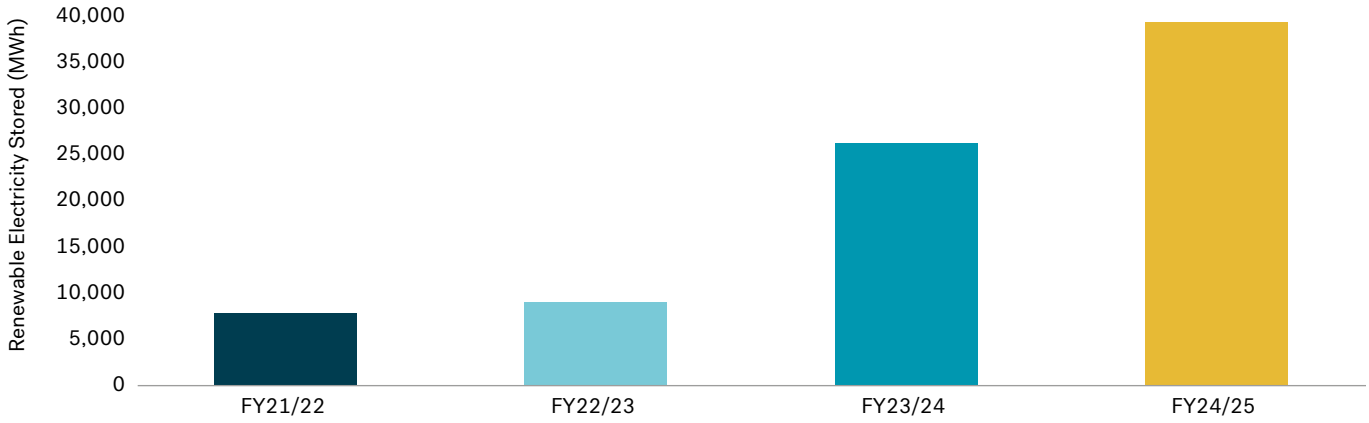
Renewable Electricity Stored

The Company annually calculates the renewable energy stored by the operational portfolio, to measure the role of the Company's portfolio in facilitating the adoption of renewable power.

Renewable electricity stored is calculated by applying regional grid mix data to energy import and export figures. The methodology assumes that the emissions impact of electricity imported into the battery is the same as that of electricity exported.

Renewable electricity stored increased from previous reporting year by 23%. This was partly due to an overall increase in energy exported, and potentially in part due to increased grid decarbonisation.

Figure 10: Renewable Electricity Stored (FY 21/22 to FY 24/25)



Avoided Emissions

The Company calculates the GHG emissions avoidance impact of its portfolio to quantify the benefit of battery energy storage systems as part of the energy system. The Company's assets provide critical grid services and can be used for different modes of operation such as ancillary services, wholesale energy trading, and capacity market actions.

Methodological Improvement

The approach employed in previous years follows guidance of the GHG Protocol and the European Commission. The methodology assumes that all electricity dispatched by the battery storage asset would have been met by a natural gas-fired peaking plant, while this is a useful proxy in the absence of more granular data, it will overestimate the impact of batteries on the grid, as it does not reflect the marginal emitter in any one settlement period.

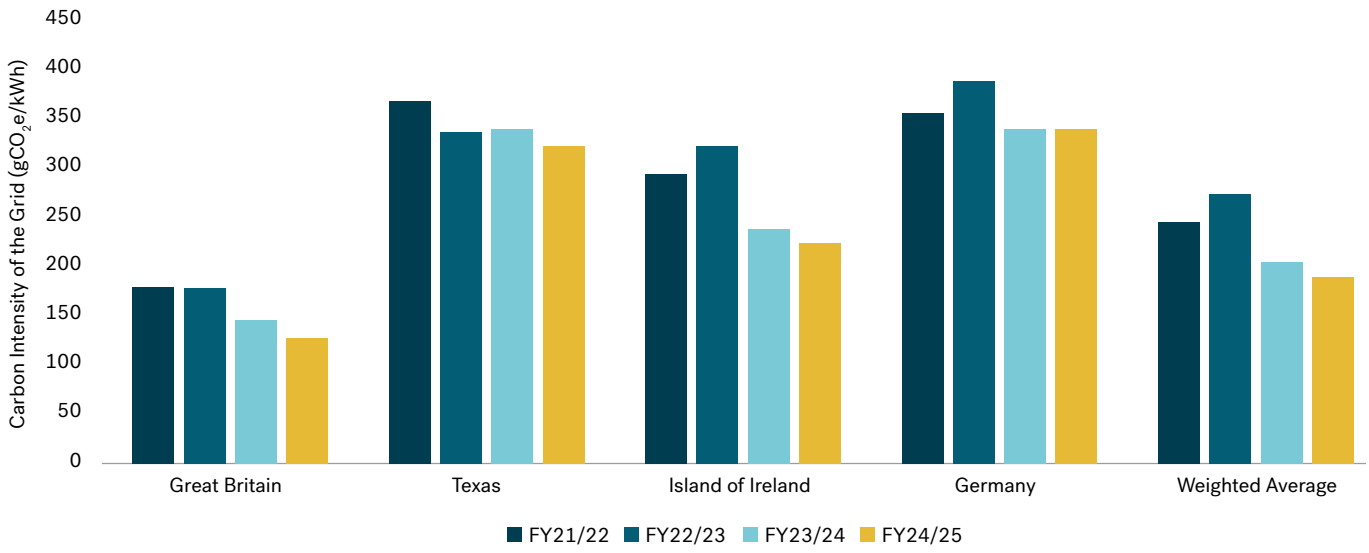
The Investment Manager's ESG function adopted a marginal emission factor approach, in consultation with industry groups, for this reporting period to more accurately reflect the source of generation the battery is displacing in each settlement period and to standardise calculations to improve comparability across funds. It models the displacement of gas-fired power generation by storage assets using defined variables like turbine efficiency and carbon intensity. The marginal emission methodology was applicable for the Company's assets in GB, Texas and the Island of Ireland. For the German asset, the initial methodology was used. The avoided emissions calculation reflects trading activities by the batteries only.

Limitations

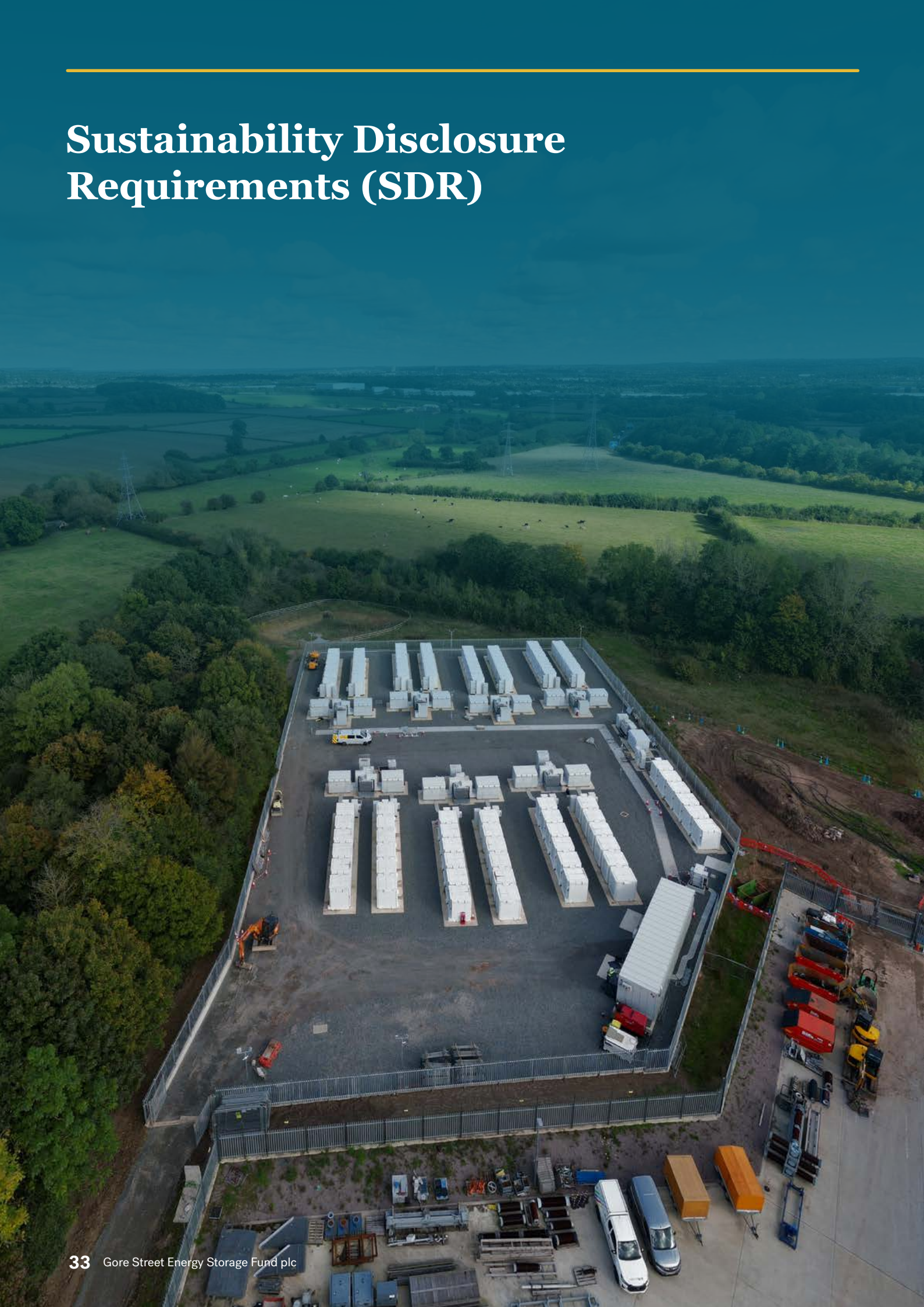
Due to a lack of data resolution and an absence of an agreed industry method, calculation of avoided emissions from specific ancillary services remains a challenge. Assumptions would include the volume of equivalent ancillary services provided by thermal generators and determining the counterfactual scenario without batteries for grid inertia management actions on an asset level, among others.

As electricity grids become cleaner through the integration of renewable energy sources, the marginal impact of battery energy storage assets on avoided carbon emissions diminish, especially under the current methodology, which solely reflects trading activities. This is exemplified in Figure 11 below, which highlights grid decarbonisation in all the markets in which the Company operates, starting from the Company's first year of SFDR reporting. On a weighted average basis of the Company's operational portfolio, there was a 23% decrease in carbon intensity. The decreasing potential for CO_2e avoidance per kWh of renewable energy as grids become cleaner underscores the positive transition towards greener energy systems. Furthermore, it highlights the importance of fully capturing the avoided emissions impact of BESS in ancillary services, and beyond, to accurately capture the value of BESS with increasingly intermittent grids.

Figure 11: Carbon Intensity of the Grids the Company Operates Across



Sustainability Disclosure Requirements (SDR)



Sustainability Disclosure Requirements (SDR)

The Company reports against the requirements of the **Sustainability Focus Label** as defined by the Financial Conduct Authority (FCA). The full periodic disclosure, consumer-facing disclosure, and pre-contractual disclosure can be found on both the Company's and Investment Manager's website.

The SDR labels were introduced to ensure transparency, build trust, and prevent greenwashing in the UK financial market, as opposed to SFDR which is EU-wide. Through a principle-based approach, the FCA intends to maintain transparency across different products, whilst ensuring that measures are proportionate and relevant for the product in question. The FCA guidelines go beyond the product labels; there is also guidance on fund marketing to act as a defense against greenwashing, providing greater confidence for investors that they're investing in line with their sustainability goals.

The Company's sustainability objective is to support the green energy transition and climate change mitigation efforts while providing investors with a sustainable dividend over the long term. The Company's investments are selected using robust, evidence-based sustainability criteria that align with both general and specific FCA requirements, ensuring that investments contribute to positive environmental outcomes and are governed responsibly.

Sustainability Objective

These assets support the green transition by achieving the following positive environmental outcomes:

- Enabling the integration of more renewable energy sources into the power grid;
- Avoiding carbon emissions from the power sector.

By avoiding curtailment of renewable energy and enabling a higher share of clean electricity, the Company's projects significantly reduce the need for fossil-fuel-fired peaker plants, thus lowering system-wide carbon emissions.

Progress Towards the Objective

The Company measures the environmental characteristics it promotes in attaining its sustainability objective through two KPIs; i) total renewable electricity stored and ii) net CO_2e emissions avoided.

During the FY24/25 reporting period, several methodological enhancements were introduced to improve the accuracy of the Company's sustainability reporting, as referenced in the SFDR section above. A methodological overview can be found in the full periodic disclosure, available on the Company's website, as well as on page 29 in the SFDR section.

Stewardship and Supplier Engagement

The Investment Manager has embedded sustainability into its stewardship practices through comprehensive due diligence and supplier engagement through a code of conduct.

Such measures ensure operational partners support the Company's mission and minimise risks of adverse impacts.

Escalation and Governance

The Company typically maintains direct operational control over all its assets, reducing the need for a formal proxy voting or engagement framework. Continuous monitoring ensures alignment with sustainability objectives, with corrective measures implemented as needed.

Glossary

Term	Definition
Article 8 Fund	Under SFDR, a fund which "promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices".
Carbon Footprint	Refers to the amount of greenhouse gases generated by an organisation or individual.
Decarbonisation	Refers to the reduction of an entity's carbon footprint, particularly its greenhouse gas emissions, in order to reduce its impact on climate, as part of the transition to Net Zero.
Diversity, Equality and Inclusion	Stand for a fair treatment towards all individuals and groups of individuals, offering them equal opportunities.
ESG	Environmental, Social and Governance refers to the central factors used when assessing business activities or investments with regard to sustainability.
EU Taxonomy	A wide framework to identify, define and clarify economic activities which can be considered environmentally sustainable. The basis for the EU Taxonomy is the Taxonomy Regulation (Regulation (EU) 2020/852).
GHG - Scope 1, 2 & 3	The three scopes under greenhouse gases categorise their different emissions a company can create in its own operations and within its value chain. Scope 1: directly through sources it owns; Scope 2: indirectly through purchased electricity; Scope 3: indirectly if caused by energy input purchases and other indirect sources.
GHG Emissions	Greenhouse Gas (GHG) emissions refer to the sum of emissions of gases that have a global warming impact including carbon dioxide, methane, nitrous oxide, hydrofluorocarbons (HFCs), and sulfur hexafluoride (SF6).
GHG Protocol	A global framework for measurement and management of Greenhouse Gases.
IPCC	The Intergovernmental Panel on Climate Change (IPCC) is a United Nations body assessing science related to climate change. It prepares comprehensive Assessment Reports about the state of knowledge, climate change impacts, future risks, and options for reducing the rate at which it takes place. It also prepares Special Reports on topics agreed upon by governments, as well as Methodology Reports that provide guidelines for the preparation of inventories of greenhouse gases.
Net Zero	Net Zero describes a balanced scenario between the amount of greenhouse gases produced and the amount removed from the atmosphere.
OECD Guidelines for Multinational Enterprises	Recommendations addressed to multinational enterprises on a range of issues including human rights, employment, industrial relations, environment, combating bribery, consumer interests, disclosure of information, science and technology, competition, taxation, among others.
PRI	The Principles for Responsible Investment (PRI) promotes responsible investment through six investment principles that support the integration of responsible investment into investment decisions.
Renewable Energy	Energy generated from a naturally replenishing source, such as solar energy, wind energy, hydro energy, and geothermal energy.
SDG	Sustainability Development Goals (SDGs) were set up by the UN in 2015 and total 17 interlinked goals designed as a blueprint towards a better and more sustainable future for all.
SDR	Sustainability Disclosure Requirements were introduced by the Financial Conduct Authority in the UK. Under SDR, financial products are labelled based on intentionality and the level of sustainable investments.
SFDR	Sustainable Finance Disclosure Regulation. The SFDR regulation (EU Regulation 2019/2088) sets harmonised rules for financial market participants and financial advisers on sustainability-related disclosures to improve transparency and support better investment decisions.
Sustainability	Sustainability has been defined as the way in which people, the planet, prosperity, and purpose come together in order to meet current needs without compromising the ability of future generations to meet their own needs.
Sustainability Risks	Sustainability risks refer to potential negative financial impact on investments due to environmental, social, and/or governance issues.
TCFD	Task Force on Climate-Related Financial Disclosures (TCFD) was created by the Financial Stability Board (FSB) as recommendations to companies on climate-related financial disclosure for informed capital allocation.

Gore Street
Energy Storage Fund plc

Gore Street Capital Limited
First Floor
16-17 Little Portland Street
London
England
W1W 8BP

www.gsenergystoragefund.com